Issue of tax free bonds by municipal bodies

2790. SHRI LALIT SURI: Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) the names of the municipal bodies which were allowed to issue tax free bonds during 2004-05; and

(b) the amount which each municipal body was allowed to raise through the issue of the said bonds, the period thereof and the rate of interest payable to the investors?

THE MINISTER OF URBAN DEVELOPMENT (SHRI GHULAM NABI AZAD): (a) and (b) The following corporations/municipal bodies were allowed to issue tax free bonds during 2004-05:—

Name of ULB/Corporation	Amount in (Rs. crore)
Chennai Metropolitan Water Supply and Sewerage Board	50.00
Chennai Corporation	44.80
Ahmedabad Municipal Corporation	100.00
Karnataka Water & Sanitation Pooled Fund Trust	*100.00

*Permission granted in 2004-05. However, re-validated in 2005-06 at the instance of the applicant.

Name of ULB/Corporation	Amount (Rs. in crore)	*Period	*Rate of interest
1	2	3	4
Chennai Metropolitan Water Supply and Sewerage Board	50.00	7 years	5.45% p.a.
Chennai Corporation	44.80	10 years	5.45% p.a.
Ahmedabad Municipal Corporation	100.00	10 years	6% p.a.
Karnataka Water & Sanitation Pooled Fund Trust	100.00	15 years	5.95% p.a.

* The tenure of bonds and rate of interest are decided by the issuer in consultation with financial institutions.